GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5417
ANSWERED ON:22.12.2000
NEPALESE GOODS IN INDIA
UMMAREDDY VENKATESWARLU

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(

(a) whether the Government propose to re-define the manufacturing and manufactured goods from Nepal; (

(b) whether the Nepalese goods must have a 30 percent domestic content in Nepal`s exports to India; (

(c) if so, whether presently Nepalese exports to India do not have even 10 percent Nepalese content; (

(d) if so, whether any discussions have been held with Nepal Government on this issue; and (

(e) if so, the outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI OMAR ABDULLAH)

(a) to (e) : Under Article V of Protocol to the current Indo-Nepal Treaty of Trade, Government of India provides access to the Indian market free of customs duties and quantitative restrictions for all articles manufactured in Nepal except for a Negative List of three articles. Imports from Nepal are allowed by the Indian customs authorities on the basis of a Certificate of Origin issued by the agency designated by His Majesty`s Government of Nepal in the format mutually agreed upon between the two Governments.

Various issues relating to bilateral trade, including preferential entry for articles manufactured in Nepal were discussed at the India-Nepal Inter-Governmental Committee meeting at Commerce Secretary level in December, 1999.Consequently it has been considered that an article produced in Nepal shall be taken to have been manufactured when it is classified in a heading, at the four digit level, of Harmonised Commodity Description and Coding System different from those in which all the third country origin materials used in its production are classified.